

Application Serial No. 09/943,658  
Docket No. 40655.4400  
Response/Amendment dated February 3, 2005  
Reply to Office Action mailed on November 3, 2004

### **In the Claims**

This listing of claims will replace all prior versions, and listings, of claims in the application:

Claims 1-17 (cancelled).

18. (currently amended) An online card present transaction method comprising the steps of:  
receiving, at a host website, an HTTP request from a user's browser, said request having been redirected from a merchant's website to said host website;  
sending said user a challenge string;  
authenticating said user by receiving authentication information from said user, wherein said authentication information corresponds to a user's transaction account;  
generating a secondary transaction number;  
associating said secondary transaction number with said user's transaction account;  
establishing an authenticated communication channel between a said host system and said merchant; and  
communicating said secondary transaction number over said authenticated communication channel to said merchant for use by said merchant in submitting a payment request based on said secondary transaction account number.

~~to facilitate a transaction between said merchant and said user.~~

19. (original) The method of claim 18, the step for establishing an authenticated communication channel comprising the following steps:  
embedding an encrypted host system signature in said user's browser; and  
redirecting said user's browser to said merchant, causing said merchant to authenticate said host system by decrypting said host system signature.

20. (original) The method of claim 18, the step for establishing an authenticated communication channel comprising the following steps:  
communicating a token to said merchant over a first communication channel;  
receiving a communication from said merchant over a second communication channel  
requesting said host system to confirm the issuance of said token; and  
confirming to said merchant that said host system issued said token.

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21. (original) The method of claim 18, further comprising the steps of prompting said user to insert a smart card into a smart card reader and to enter a personal identification number.
22. (original) The method of claim 18, wherein said authentication information comprises a signed challenge string and a digital certificate.
23. (currently amended) An online-card-present transaction method comprising the steps of:  
communicating with a user over a distributed network;  
recognizing the presence of an authentication device on a user's computer system;  
redirecting said user to a host system website, causing said host system to authenticate said user based on data extracted from a transaction instrument by said authentication device;  
establishing an authenticated communication channel with said host system; and  
receiving account information from said host system over said authenticated communication channel, wherein said account information facilitates completion of a transaction between said user and said a merchant.
24. (original) The method of claim 23, said establishing an authenticated communication channel step further comprising the steps of:  
receiving an encrypted host system signature; and  
decrypting said encrypted host system signature to determine that said account information originated with said host system.
25. (original) The method of claim 23, said establishing an authenticated communication channel step further comprising the steps of:  
receiving a host system token over a first communication channel, wherein said token identifies said host system; and  
communicating to said host system over a second communication channel to confirm that said token was issued by said host system.
- Claims 26-34 (cancelled).
35. (new) An online card-present transaction method, comprising the steps of:  
establishing an authenticated communication channel;  
receiving from a merchant over said authenticated communication channel, a user request to facilitate a transaction with said merchant;

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communicating to a merchant a challenge string to facilitate a user authentication process;

retrieving from said merchant a signed challenge string and a digital certificate originating from a user, wherein said user is authenticated by comparing said signed challenge string and said digital certificate;

retrieving a primary transaction account number associated with said digital certificate;

generating a secondary transaction account number;

associating said secondary transaction account number with said primary transaction account number; and

providing said secondary transaction account number to said merchant for use by said merchant in submitting a payment request based on said secondary transaction account number.

36. (new) The method of claim 35, wherein said authentication process comprises the further step of causing said user to insert a smart card into a smart card reader and input a personal identification number.

37. (new) The method of claim 35, further comprising the steps of:

receiving said secondary transaction number from said merchant as part of a settlement process; and,

applying a charge associated with said settlement process to a transaction account of said user associated with said secondary transaction number.